

Medicare Prescription Drug, Improvement, and Modernization Act of 2003
THE NEW MEDICARE PRESCRIPTION DRUG BENEFIT:
ELECTRONIC PRESCRIBING
Sections 1860D-4(e) and 108

Medication errors due to bad handwriting or other slip-ups will be sharply reduced by the electronic prescribing provisions of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The MMA's e-prescribing section envisions a world where a doctor can write a prescription in a computer – possibly a hand-held device like a Palm Pilot – and electronically transmit that prescription to the patient's pharmacist, all at the push of a button.

The MMA directs the Secretary of the Department of Health and Human Services to work with industry experts to establish a national standard for electronic prescriptions. That way, doctors, hospitals and pharmacies across the country can be sure that their computer systems are compatible and will work together seamlessly. Beyond the basic drug name and dosage, the e-prescribing standard will enable doctors and pharmacies to share a wealth of information, including:

- What other medications the patient is currently taking, so that the doctor and the pharmacist can be on the alert for adverse drug interactions.
- Whether the prescribed drug is on the formulary of the patient's drug plan, or if the plan has tiered co-pays, whether the drug is preferred or non-preferred. That way, the doctor will know *right there in the examining room* whether a therapeutically appropriate switch to a different drug might save the patient some money. Providing this information directly to doctors is expected to cut down on the need for follow-up phone calls between pharmacists and doctors once the patient has reached the pharmacy counter.

A one-year pilot project in 2006 will test how well the proposed national standard works, and the Secretary may revise the standard based on the industry's experience. Once the final standard is set (and no later than April of 2008), any prescriptions that are written electronically for Medicare beneficiaries will have to conform to the standard. There is, however, no requirement that prescriptions be written electronically. ***E-prescribing is entirely voluntary for doctors***

Hospitals and health plans will be able to help affiliated doctors adopt electronic prescribing by donating hardware, software, or training to them if they choose. The Act directs HHS to craft a "safe harbor" in federal anti-kickback and anti-self-referral laws to allow such donations.

The MMA also authorizes the federal government to give grants to doctors to help them buy computers, software, and training to get ready for electronic prescribing. The grants will cover up to half of the doctor's cost of converting to electronic prescribing, and they may be targeted to rural physicians and those who have a large share of Medicare patients.